

## Chapter 3 External Environment and Organizational Culture:

True False

## EXTERNAL ENVIRONMENTS OF ORGANIZATIONS

1. Tomorrow's external environment of organizations will include intense competition, globalization of markets and rapid technological change.  
T     28     GT     Fa
2. As long as K-Mart maintains low prices, there is no threat of quality competition from competitors.  
F     28     GT     Fa

## What is Competitive Advantage?

3. Organizational operations and performance outcomes do not require support from the external environment as long as the organization maintains skilled human resources.  
F     28     GT     Fa
4. Competitive advantage is a distinctive competency that sets one organization apart from another, giving it an advantage over its competitors in the marketplace.  
T     28     KT     Fa
5. Highly competitive businesses are immune from the influences of competition in the global economy.  
F     29     GT     Fa
6. American quality pioneer J. M. Juran warned Japanese executives that the words "Made in America" would once again symbolize world-class quality.  
T     29     GT     Fa
7. Managers in the 21<sup>st</sup> century will not be challenged with competitive advantage if they continuously scan the environment and comply with government regulations.  
F     29     GT     Ap

## The General Environment

8. Winners of the prestigious Heritage of New England Award attribute their success to providing customers with quality products that are backed with no-question-asked guarantees.  
T     29     GT     Fa
9. The general environment consists of the background

conditions in the external environment that can substantially influence the operations of an organization.

T 29 KT Fa

## Chapter 2

### True False

10. The general environment consists of management competencies that can substantially influence the operations of an organization.

F 29 KT Fa

11. Economic, technological and social-cultural conditions are important environmental factors in the general environment.

T 29 GT Fa

12. Social-cultural conditions relate to social values as well as the philosophy of political parties and government regulations.

F 29 GT Fa

13. The natural environment consists of a general state of nature and conditions of the physical environment.

T 29 GT Fa

14. Pharmaceutical giant Merck has increased its market share in Europe by ignoring the general environment and focusing its goals on global business competitiveness.

F 29 GT Fa

### The Specific Environment

15. The specific environment is unique for each organization, and varies according to the company's operating domains.

F 30 KT Fa

16. Specific environment consists of the actual organizations, groups, and persons with whom an organization must interact in order to survive and prosper.

F 30 KT Fa

17. Stakeholders in the specific environment are exempt from interacting with the external environment.

F 30 GT Fa

18. In the specific environment, stakeholders are persons, groups and institutions who are affected by the organization's performance.

T 30 KT Fa

19. The specific environment includes not only customers and employees, but also competitors and suppliers.  
F 30 GT Fa

Chapter 2  
True False

20. Competitors in the specific environment are providers of the human, information, and financial resources needed by the organization to operate.  
F 30 GT Fa
21. In the specific environment, a regulator is known as a government agency that enforces laws and regulations affecting the organization's operations.  
T 30 GT Fa
22. Acme metals serves as a benchmark in the steel industry as a company that has survived in its environment without change.  
F 30 GT Fa

Environmental Uncertainty

23. Organizations that do not have complete information regarding elements in the external environment that will affect their operations are operating under conditions of environmental uncertainty.  
T 31 GT Fa
24. The greater the environmental uncertainty for an organization, the greater the need for flexibility in operations.  
T 31 GT Fa

CUSTOMER-DRIVEN ORGANIZATIONS

25. The upside-down pyramid represents management error in the design of the organizational hierarchy.  
F 32 GT Fa
26. Good customer service can be as important as high quality products for organizations when seeking a competitive advantage in their industry.  
T 32 GT Fa
27. Progressive managers understand the importance of seeking a competitive advantage through improved customer service and

high quality good at low prices.

T 32 GT Fa

28. A Harvard Business Review survey taken among business leaders ranked productivity as the first important goal in the success of today's organizations.

F 32 GT Fa

## Chapter 2

### True False

#### Internal and External Customers

29. The open systems view for organizations include complex internal environments as well as the competitive external environment.

T 33 GT Fa

30. The external customer is no longer as important to organizations as their internal customers.

F 33 GT Fa

31. The external customer is the ultimate consumer of goods or services produced.

T 33 KT Fa

32. Internal customers are an organization's human resources who depend on others' work to do their own jobs well.

T 33 KT Fa

#### Customers and Operations Management

33. Operations management is increasingly viewed as an important branch of management theory concerned with the activities and decisions through which operations transform resource inputs into product outputs.

T 33 KT Fa

34. Exceeding customer expectations and providing high quality products are critical factors in operations management.

T 33 GT Fa

#### COMMITMENT TO QUALITY OPERATIONS

35. Organizations who want to obtain the ISO 9000 Certification will undergo a rigorous assessment by an outside auditor and upgrade their quality in all operations.

T     34     GT     Fa

36. The ISO 9000 certification is a necessary business title for companies competing in international markets.

F     34     KT     Fa

#### Total Quality Management

37. TQM, also known as Total Quality Marketing, is an important part of an organization's strategic objectives.

F     34     KT     Fa

#### Chapter 2

##### True False

38. Total quality management is a process of making quality principles and a commitment to continuous improvement major objectives of the organization.

T     34     KT     Fa

39. Pioneers of quality, W. Edwards Deming and Joseph M. Juran, popularized the concept of total quality marketing.

F     34     GT     Fa

40. The Malcolm Baldrige National Quality Award's criteria requires top executives to incorporate quality values into annual management goals.

F     34     GT     Fa

41. To receive the Malcolm Baldrige National Quality Award, companies are required to work with suppliers to improve quality of their goods and/or services to insure that their products are as good as or better than those of its competitors.

T     34     GT     Fa

42. Total quality management applies to everyone in the organization from maintenance workers to company presidents.

T     34     GT     Fa

43. At the Tennant Company, statistical quality control techniques are used to help monitor defects and establish goals for reducing errors in product quality.

T     35     GT     Fa

44. The four absolutes of management for total quality control, as defined by Philip Crosby, are: conformance to standards, defect correction, defect free work and quality performance.

F     35     GT     Fa

45. Philip Crosby, a pioneer in total quality management, developed the "four absolutes" of management  
T 35 GT Fa
46. The Deming prize is automatically presented annually to American companies who exhibit excellent quality control.  
F 35 GT Fa
47. The total quality control concepts taught by Deming to the Japanese are overwhelmingly difficult, which is why American businesses have not adopted them yet.  
F 36 GT Fa

## Chapter 2

### True False

48. Deming's theory on quality suggests that an employee may be the cause of quality problems.  
T 36 GT Fa
49. Deming's theory on quality suggests that when a problem in quality lies within the system, the problem most likely lies in poor employee training.  
F 36 GT Fa
50. Breaking down barriers between departments is one of Deming's 14 points to quality.  
T 36 MN Fa
51. One of Deming's 14 points to quality suggests that management cease dependence on mass inspections.  
T 36 MN Fa
52. According to Deming, if the cause of a quality problem is a component of production, like an employee's poor quality work, the person should be retrained or replaced.  
T 36 GT Fa
53. American organizations can attribute the total quality management concept to the works of quality pioneers, W. Edward Deming, Joseph M. Juran, and Philip Crosby.  
T 36 GT Ap

### Quality and Continuous Improvement

54. Continuous improvement is attempting to maintain the quality advantage over time by always looking for new ways to improve current performance.

T 36 KT Fa

55. Total quality management is a process of making quality, continuous improvement, and customer satisfaction major objectives of the organization.

T 36 GT Fa

56. Manager, Pamela Doe, uses a group of workers to meet regularly to discuss ways of improving the quality of their products. Pamela is following the quality circle concept.

T 36 KT AP

57. Quality circle provides a means for a company to empower workers and to improve customer satisfaction.

T 36 KT Fa

## Chapter 2

### True False

58. Benchmarking involves utilizing other "high performance" organizations to systematically compare and improve one's own ways of doing things.

T 37 KT Fa

59. Through quality management techniques, benchmarking involves systematically measuring the benches of the department to reduce pilferage.

F 37 GT Fa

60. Cycle time is a total quality operations tool that allows companies to improve on their delivery of products with the intent of improving customer satisfaction.

T 37 KT Ap

### Quality and Operations Management

61. Technology is not considered to be of strategic importance in operations management.

F 37 GT Fa

62. Computers and information technology are important in all aspects of operations management.

T 37 GT Fa

63. Blending the best of technology with the full potential of people is a key foundation of organization design and operations management.

T 37 GT Fa

64. Lean production with the aide of new technology will allow work to be performed with fewer workers and small inventories.  
T 37 GT Fa
65. Flexible manufacturing will allow the manufacturing processes to be quickly changed to produce different products or to modify existing ones.  
T 37 GT Fa
66. Mass customization will enable individual products to be made quickly and with the production efficiency once associated with mass production.  
T 37 GT Fa
67. One can compare the contributions W. Edward Deming made for total quality management, to Genichi Taguchi's robust design.  
T 37 GT Ap

## Chapter 2

### True False

68. Design for manufacturing is considered to be of strategic importance to organizations as they attempt to lower production costs and provide high quality in all manufacturing processes.  
T 38 KT Fa
69. A method used to provide lower production costs and higher quality in all aspects of the manufacturing process is design for manufacturing.  
T 38 KT Fa
- 70.. Design for manufacturing is considered to be of strategic importance to organizations as they attempt to lower product costs and provide high quality in all manufacturing processes.  
T 38 KT Fa
71. Design for disassembly is a trend in production to design products with a focus on how component parts can be used at the end of the product's useful life.  
T 38 KT Fa
72. In an age where design is an important contributor to quality operations, the goal of design for disassembly is to design component parts that are disposable at the end of the product's life cycle.



F 38 GT Ap

### The Nature of Organizational Culture

73. Organizational culture is the system of shared objectives and strategies that guides the accomplishment of tasks.  
F 38 KT Fa
74. Organizational culture is the system of shared beliefs and values that develops within an organization and guides the behavior of its members.  
T 38 KT Fa
75. Organizational culture is an important influence on performance within the organization and can even be a competitive advantage.  
T 38 KT Ap
76. Corporate culture is the key aspect of the internal environment of an organization.  
T 38 GT Fa

### Chapter 2 True False

#### What Strong Cultures Can Do

77. A strong corporate culture gets everyone committed to doing things that are in the best interest of the organization.  
T 38 GT Fa
78. A strong corporate culture is well-defined and emphasizes independent behavior and decision making.  
F 39 GT Ap

#### Levels of Organizational Culture

79. Observable culture can be found in stories told among members, about dramatic sagas in the life of the company and its competitors.  
F 39 GT Fa
80. In strong culture organizations, observable cultures can be seen in the way people dress at work, and how they treat their customers.  
T 39 GT Fa

81. Elements of the observable culture include stories, heroes, rituals and symbols.  
T     39     GT     Fa
82. The core values influence individual behavior and actually gives rise to the aspects of observable culture.  
T     40     KT     Fa
83. Core values are often found in statements of corporate mission and purpose.  
T     40     GT     Fa
84. The organization's core values are independent of any aspect of observable culture.  
F     40     GT     Ap

#### Leadership And Organizational Culture

85. Management of the organizational culture involves maintaining core values that support performance objectives.  
T     40     GT     Ap

#### Chapter 2 True False

86. Core values should meet the test of three criteria that include relevance, performance and strength.  
F     40     GT     Fa
87. A symbolic manager will often use language metaphors to maintain the organizational culture.  
T     40     KT     Ap
88. A symbolic manager uses symbols well to establish and maintain a desired organizational culture.  
T     40     KT     Fa

#### DIRECTIONS IN ORGANIZATIONAL CULTURE

89. Empowerment, diversity and high ethical standards are characteristics of a strong organizational culture.  
T     41     GT     Fa

#### Culture and Empowerment

90. Organizational cultures value human resources and encourage top-down management.  
F 41 GT Fa

#### Multicultural Organizations

91. Multiculturalism consist of pluralism and respect for diversity in the workplace.  
T 41 GT Fa
92. In a multicultural organization, minority and majority cultures are influential in setting key values and policies.  
T 41 GT Fa
93. A multicultural organization will recognize pluralism and address the needs to eliminate culture - group biases.  
T 41 GT Fa
94. One of the characteristics of the multicultural organization is the absence of prejudice and discrimination.  
T 42 GT Fa
95. Multicultural organizations benefit from weak organizational cultures that permit members of minority cultures to be represented in jobs at all levels in the organizations.  
F 42 GT Fa

#### Chapter 2 True False

#### Organizational Subcultures

96. Subcultures consist of the culture common to groups of people who share personal characteristics and have similar values and beliefs.  
T 42 KT Fa
97. Salaried professionals may prove difficult to integrate into the culture of the larger organization if their supervisor does not provide worker autonomy.  
T 42 GT Fa
98. Employees who have strong identities with functional subcultures can develop cliques that can be dysfunctional for the organizational as a whole.  
T 42 GT Ap

99. Mary is Latino and teaches "Ebonics" in an Afro-centric School. This educational institution's culture is composed of both ethnic and racial subcultures.  
T 43 GT Ap
100. Organizational subcultures can be composed of occupational, functional and racial, but not gender.  
F 43 GT Fa
101. Jeremy is 65 years old and is experiencing difficulty in understanding why his more recent hire, a 21 year old college graduate, refuses to take orders as quickly as the other older workers. This is an example of problems that may occur with occupational subcultures.  
F 43 GT Ap
102. Organizations that consists of under-representation of women managers and with men primarily controlling higher levels may experience gender discrimination, but not gender subcultures.  
F 43 GT Fa

## Chapter 2 ENVIRONMENT AND COMPETITIVE ADVANTAGE

### Multiple Choice

1. Organizations can use a core competency to set them apart from other organizations that can also give them an advantage in the marketplace. This is an example of  
a. core advantage  
b. multiple market advantage  
c. competitive advantage  
d. supplement advantage  
e. management advantage  
C 28 KT Fa
2. An organization can achieve a competitive advantage through which of the following ways.  
3. pricing and customer service

4. cost efficiency and quality  
 5. customer service and quality
- a. 1  
 b. 2  
 c. 3  
 d. 2 and 3  
 e. 1, 2, and 3  
 E 28 GT Fa
3. J. M. Juran, an American quality pioneer, challenged Japanese executives with a prediction that America would bounce back in business competitiveness. He used the words of \_\_\_\_\_ that would once again symbolize world-class quality.
- a. "just in time"  
 b. "global economy"  
 c. "quality experts"  
 d. "made in America"  
 e. all of these  
 D 29 GT Fa
4. Managers in the 21<sup>st</sup> century should continuously scan the environment and then adapt operations to what they have learned in order to achieve
- a. good management techniques  
 b. competitive advantage  
 c. production standards  
 d. environmental experts  
 e. operational quality standards  
 B 29 GT Fa

## Chapter 2

### Multiple Choice

5. All of the following are conditions of the general environment  
 EXCEPT
- a. technological conditions.  
 b. human relations conditions.  
 c. economic conditions.  
 d. legal-political conditions.  
 e. natural environment conditions.  
 B 29 GT Fa
6. An important condition in the general environment that is

external to the organization is a \_\_\_\_\_ condition.

- a. financial
- b. management
- c. technological
- d. employee relations
- e. operations

C 29 GT Fa

7. Which of the following would NOT be a condition in the general environment.

- a. economic
- b. sociocultural
- c. legal-political
- d. labor
- e. technological

D 29 GT Fa

8. Legal-political conditions include the general state of the

- a. economy
- b. social values
- c. government regulations
- d. inflation
- e. natural or physical environment

C 29 GT Fa

9. Socio-cultural conditions in the general environment include the

- a. philosophy and objectives of political parties
- b. gross domestic product
- c. trends in education
- d. development of technology in the environment
- e. nature of the physical environment

C 29 GT Fa

## Chapter 2

### Multiple Choice

10. All of the following are factors in the general environment EXCEPT

- a. technological conditions
- b. human relations conditions
- c. economic conditions
- d. legal-political conditions
- e. natural environment conditions

B 29 GT Fa

11. An important element in an organization's specific environment is  
 a. customers  
 b. technology  
 c. employees  
 d. capital equipment  
 e. managers  
 A 30 GT Fa
12. The actual organizations, groups, and persons with whom an organization must interact in order to survive and prosper is called the  
 a. general environment  
 b. specific environment  
 c. special environment  
 d. multiple environment  
 e. functional environment  
 B 30 KT Fa
13. Stakeholders can usually be described in terms of  
 14. the specific environment  
 15. persons who are affected by the organization's performance  
 16. the task environment  
 a. 1  
 b. 2  
 c. 3  
 d. 1 and 2  
 e. 1, 2, and 3  
 E 30 GT Ap
14. People and institutions who are affected in one way or another by the organization's performance are referred to as  
 a. employees  
 b. companies  
 c. stockholders  
 d. stakeholders  
 e. all of these  
 D 30 KT Fa

Chapter 2  
Multiple Choice

15. Which of the following would NOT be an element in an organization's specific environment?  
 a. customers  
 b. suppliers  
 c. competitors  
 d. government

- e. employees  
E 30 GT Fa
16. An organization that is faced with lack of complete information regarding what developments will occur in the external environment is experiencing
- a. information problems
  - b. information systems failure
  - c. environmental uncertainty
  - d. environmental certainty
  - e. environmental and informational certainty
- C 31 GT Fa
17. Environmental uncertainty can be described along two dimensions. They are
- a. complexity and the rate of change in different factors in the environment
  - b. certainty and the rate of exchange of information
  - c. system's thinking and external environmental control
  - d. complexity in operations management
  - e. all of these
- A 31 GT Fa

#### CUSTOMER-DRIVEN ORGANIZATIONS

18. When customer driver organizations offer good customer service they benefit by gaining a(n)
- a. open market
  - b. competitive advantage
  - c. public relation's department
  - d. down pyramid
  - e. horizontal pyramid
- B 32 GT Fa
19. The challenge of achieving a customer-driven organization is framed in which of the following
- a. federal regulations
  - b. adverse competition
  - c. consumer grievances
  - d. quality products and customer satisfaction
  - e. global economy and federal regulations
- D 32 GT Ap

#### Chapter 2 Multiple Choice

20. A Harvard Business Review Survey ranked which of the following as first and second among the most important goals



in the success of organizations.

- a. employees and managers
- b. student grades and coursework
- c. service and non profit organizations
- d. internal and external customers
- e. customer service and product quality

E 33 GT Fa

21. According to a survey by the market research firm Michelson & Associates, customers abandon a retail store for which of the following reasons.

- a. price fixing and false advertising
- b. poor service and product dissatisfaction
- c. product modification and excessive taxes
- d. employee grievances and poor working standards
- e. poor quality products and price fixing

B 33 GT Fa

#### Internal And External Customers

22. Individuals who purchase the goods or services produced by an organization are called

- a. merchants
- b. internal customers
- c. external customers
- d. satisfied customers
- e. producer

C 33 KT Fa

23. Individuals in an organization who depend on the results of the work from others in order to do their own jobs well are called

- a. jobbers
- b. internal customers
- c. external customers
- d. quality experts
- e. dependent employees

B 33 KT Fa

Multiple Choice

23. Gloria assembles circuit boards in a computer manufacturing plant. She gets the chips for the boards from David, assembles the boards, and then forwards them to Judy - who puts them into the finished components. This example illustrates the concept of
- Big Q quality in the organization.
  - internal customers, who use the result of others to do their job.
  - total quality management, and shared responsibility.
  - Deming's path to quality.
  - poka-yoke.
- B 33 KT Fa

## CUSTOMERS AND OPERATIONS MANAGEMENT

24. Operations management is a branch of management which studies how organizations
- deal with attitudes of personnel.
  - operate on the chain of command principle.
  - produce job security and fair wages.
  - manage public relations campaigns.
  - transform resource inputs into product outputs.
- E 33 KT Fa
25. The branch of management in which managers make decisions to transform resource inputs into product outputs is
- contract management.
  - operations management.
  - human resource management.
  - information management.
  - design management.
- B 33 KT Fa

## Customers And Operations Management

26. Operations management is concerned with
- illegal issues that affect operations
  - government regulations of quality goods and services
  - transformation of resource inputs into product outputs
  - inventory control and pilferage
  - plant logistics
- C 33 KT Fa

Chapter 2  
Multiple Choice

27. What three questions are customer-driven organizations concerned with?
- a. What do they want. Where do they want it and When
  - b. How much do we produce. What price to sell it and Why
  - c. Where do we produce. When do we produce and Why
  - d. What price do we sell it. What do they want and When
  - e. What do they want. When do they want it and What price.
- A 33 GT Fa

COMMITMENT TO QUALITY OPERATIONS

28. Organizations who want to compete in the world marketplace as "world-class companies" are expected to have a(n)
- a. competitive products.
  - b. international Q certificates.
  - c. ISO 9000 certificates.
  - d. AAA certificates.
  - e. quality certificates.
- C 34 KT Fa
29. To receive an ISO 9000 certificate, companies must
- a. undergo extensive managerial training.
  - b. receive governmental approval.
  - c. refine and upgrade quality in all operations.
  - d. be approved by 500 other companies.
  - e. produce above the national average for two years.
- C 34 GT Fa
30. The term total quality management is used to describe the process of
- a. training managers for quality control.
  - b. making quality principles part of the company's goals.
  - c. reducing quality inspection.
  - d. producing holistic work environments.
  - e. manufacturing quality products.
- B 34 KT Fa
31. Quality management around the world has been strongly influenced by the pioneering works of

- a. Frederick Herzberg and John Dix
  - b. Philip Cummings and W. Edwards Demming
  - c. Richard Shoenberger and Joseph Juran
  - d. W. Edwards Deming and Joseph M. Juran
  - e. Philip R. Cummings and Joseph M. Juran
- D 34 GT Fa

Chapter 2  
Multiple Choice

32. The concept of total quality management (TQM) gained prominence in the United States after which country became so successful in world markets by competing with a product quality advantage?
- a. China
  - b. Russia
  - c. Japan
  - d. Great Britain
  - e. Mexico
- C 34 GT Fa
33. To qualify for the Malcolm Baldrige National Quality Awardp, a company must demonstrate commitment that is essential to gaining competitive advantage through which of the following
- a. product standardization within the United States
  - b. environmental management systems in all departments
  - c. cooperation with suppliers to improve the quality of goods and services
  - d. product consolidation and employee work teams
  - e. none of these
- C 34 GT Fa
34. Philip Crosby's "four absolutes" of management for total quality control include
- a. quality means conformance to standards.
  - b. quality comes from defect correction.
  - c. quality doesn't have to mean "zero defects."
  - d. time is money.
  - e. quality costs money.
- A 35 GT Fa
35. Philip Crosby's "four absolutes" of management for total quality control includes all of the following EXCEPT
- a. quality means conformance with standards.
  - b. quality comes from defect prevention, not defect correction.

- c. quality has to mean "zero defects".
  - d. quality means higher quantity.
  - e. quality saves money.
- D 35 GT Fa

## Chapter 2

### Multiple Choice

36. Crosby's "four absolutes" of management for total quality control include
- 1. quality saves money.
  - 2. quality comes from defect correction.
  - 3. quality has to mean "zero defects."
- a. 1
  - b. 2
  - c. 3
  - d. 1 and 3
  - e. 1, 2, and 3
- D 35 GT Fa
37. The famous American educator and consultant who was among those who originally shared quality-control techniques with the Japanese is
- a. Frederick Herzberg.
  - b. Douglas McGregor.
  - c. Philip Cummings.
  - d. Richard Shoenberger.
  - e. W. Edwards Deming.
- E 35 GT Fa
38. The precepts taught to the Japanese by W. Edwards Deming are based on
- a. quality assurance.
  - b. random sampling techniques.
  - c. translation of "kanban" into English.
  - d. statistical quality control.
  - e. obtaining maximum production from workers.
- A 36 GT Ap
39. Which of the following items is NOT a critical precept of

preventing the production of defective products or services, according to Deming?

- a. Tally defects
- b. Assign blame
- c. Analyze source of defects
- d. Make corrections
- e. Keep records of results

B 36 MN Fa

40. Deming's 14 points in the "path to quality" include

- a. establish constancy of purpose.
- b. constantly improve every system.
- c. eliminate financial goals and quotas.
- d. drive out fear.
- e. all of these.

E 36 MN Fa

## Chapter 2

### Multiple Choice

41. Deming's 14 points in the "path to quality" include all of the following EXCEPT

- a. establish constancy of purpose.
- b. constantly improve every system.
- c. determine financial goals and quotas.
- d. drive out fear.
- e. institute leadership.

C 36 MN Fa

42. Deming's 14 points in the "path to quality" include all of the following EXCEPT

- a. abandon slogans.
- b. adopt a quality philosophy throughout the organization.
- c. promote education and self-improvement.
- d. do away with management.
- e. stop awarding business solely on the basis of price.

D 36 MN Fa

43. The basis of investigation or analysis in Deming's approach is

- a. the management practices of immediate supervisors.
- b. the technical skills of the workers.
- c. the design and maintenance of production machinery.
- d. the worker attitudes about productivity.
- e. any part of the production/operations process.

E 36 GT Fa

### Quality And Continuous Improvement

44. Continuous improvement is the attempt to

- a. continually watch quality control to detect errors.
  - b. maintain the quality advantage by always looking for new ways to improve current performance.
  - c. look for ways to confirm current production methods.
  - d. seek competitive marketing opportunities.
  - e. monitor future production.
- B 36 KT Fa

Chapter 2  
Multiple Choice

45. A quality circle is a(n)
- a. production control process designed around circular alignment of machines.
  - b. meeting of quality control inspectors to determine quality levels.
  - c. biannual meeting of company managers to specify overall quality standards.
  - d. outside consultant meeting with management to determine overall quality standards.
  - e. meeting of a group of employees to discuss ways of improving the quality of their products or services.
- E 36 KT Fa
46. Benchmarking is a useful planning technique which involves
- a. identifying other production and quality methods.
  - b. identifying other "high performance" organizations and comparing them to one's own ways of doing things.
  - c. comparing production items to quality control checks.
  - d. comparing organizational objectives to government standards.
  - e. forecasting future organizational marketing strategies.
- B 37 KT Fa
47. The elapsed time between receipt of an order and delivery of the finished product is the definition for
- a. just in time.
  - b. ready-made time.
  - c. cycle time.

- d. back-log time.
- e. priority order time.
- C 37 KT Fa

48. Closely tied to quality and continuous improvement are
- a. employee improvement.
  - b. quantity teams.
  - c. group dynamics.
  - d. process dynamics.
  - e. computer networks.
  - A 37 GT Ap

49. The objective to assume responsibility for quality and apply every member's full creative potential to ensure that it is achieved is accomplished in
- a. group dynamics.
  - b. quality circles.
  - c. quality controls.
  - d. systems analysis.
  - e. team projects.
  - B 37 GT Fa

## Chapter 2

### Multiple Choice

50. The statement, "one can never be satisfied; something always can and should be improved upon" BEST describes which concept of TQM?
- a. job depth improvement
  - b. group thinking
  - c. continuous improvement
  - d. product quality improvement
  - e. group dynamics
  - C 37 GT Fa
53. Which key term does NOT apply to TQM?
- a. continuous improvement.
  - b. quality circle.
  - c. process dynamics.
  - d. benchmarking.
  - e. cycle times.
  - C 37 GT Fa
54. Which of the following is NOT does not play a major part in the age of technology utilization in the quality aspects of operations?
- a. lean production
  - b. flexible manufacturing
  - c. agile manufacturing
  - d. customer production



- e. mass customization  
D 38 GT Fa
55. New technologies and streamlined systems allow work to be performed with fewer workers and smaller inventories. This is a form of
- a. flexible manufacturing.
  - b. mass customization.
  - c. design production.
  - d. lean production.
  - e. structured production.
- D 38 KT Fa
56. Operations management and technology has introduced manufacturing methods to provide organizations with competitive advantage. Which of the following is NOT one of the new manufacturing methods?
- a. Lean production
  - b. Design production
  - c. Flexible manufacturing
  - d. Mass customization
  - e. Agile manufacturing
- B 38 GT Fa

Chapter 2  
Multiple Choice

57. Which statement is MOST correct regarding the role of product design in operations management?
- a. Product design is not a strategic operations management issue.
  - b. Investments in product design are usually not worth the cost.
  - c. Product design only counts in the eyes of the consumer.
  - d. Product design can affect how things are produced, and at what level of cost and quality.
  - e. Recent interest in improved product design is a passing fad that isn't important from a managerial perspective.
- D 38 GT Fa
58. Considering design a major strategic weapon, Japanese consultant, Genichi Taguchi developed the concept of \_\_\_\_\_, manufacturing design that is "production proof" and can withstand manufacturing fluctuations that might otherwise cause defects.
- a. Ohno
  - b. poka-yoke
  - c. robust design
  - d. simple design

- e. competitive production
- C 38 GT Fa

59. Which statement is MOST correct regarding the role of quality management in operation's management?
- a. Changes in organization structures are precluded by changes in technology.
  - b. Blending the best of technology with the potential of people is the foundation of quality management and product design today.
  - c. There is less emphasis on job enrichment and more emphasis on job simplification due to advances in technology.
  - d. Organizational stability is a primary factor in attaining a competitive advantage.
  - e. Operation management and quality approaches are and will remain the same as Workplace 2000 becomes a reality.
- B 38 GT Ap

## Chapter 2

### Multiple Choice

60. Which of the following statements is TRUE about quality and product design within the context of operations management?
- a. Blending the best of technology with people is a cornerstone of organization design.
  - b. The many changes in technology will require changes in organization design.
  - c. Organizational flexibility and adaptability are important to achieving a competitive advantage.
  - d. All of these.
  - e. None of these.
- D 38 GT Ap
61. Organizations now emphasize in all aspects of the manufacturing process a technique to style products to meet lower production costs, and smooth the way toward high quality. This is called
- a. design for modeling production.
  - b. design for disassembly.
  - c. design for re-engineering.

- d. design for scouting.
  - e. design for manufacturing.
- E 38 KT Fa

62. The goal in production to design products with maximum attention to how their component parts will be used at the end of their life is
- a. design for disassembly.
  - b. design for manufacturing.
  - c. design for remodeling.
  - d. design for re-engineering.
  - e. design for restructuring.
- A 38 KT Fa

#### THE NATURE OF ORGANIZATIONAL CULTURE

63. The shared beliefs and values that developments within an organization and guides the behavior of its members is called the
- 64. organizational culture
  - 65. corporate culture
  - 66. group culture
- a. 1
  - b. 2
  - c. 3
  - d. 1 and 2
  - e. 1, 2, and 3
- D 38 KT Fa

#### Chapter 2

##### Multiple Choice

64. Jimmy is new to the ZXY Organization. He asks his supervisor why production standards are not modified to reflect market competition. His supervisor tells Jimmy, "that is the way we do things around here". The supervisor's comment is an example of
- a. the supervisor's motto
  - b. the corporate culture
  - c. the corporate mission
  - d. a supervisor's principle
  - e. an outdated production manual
- B 39 GT Ap
65. A strong corporate culture can help an organization because it can
- a. provide a clear vision of what the organization is attempting to accomplish.

- b. allow individuals to rally around a company vision and work hard to accomplish it.
  - c. provide a bond that further mobilizes resources for action.
  - d. discourage dysfunctional work behaviors
  - e. all of these.
- E 39 GT Fa
66. Organizations that exhibit strong organization cultures are NOT likely to
- a. show respect for members
  - b. encourage adaptability
  - c. encourage continuous improvement
  - d. discourage innovation
  - e. promote teamwork
- D 39 GT Fa
67. The two levels of culture in organizations are
- a. strategic and operational
  - b. positive and dysfunctional
  - c. observable and corporate
  - d. core and observable
  - e. rites and rituals
- C 39 GT Fa

## Chapter 2

### Multiple Choice

68. During an interview with the marketing director, while walking through the offices, John notices the way people dress, the arrangement of their offices, and how the employees treat each other when passing in the hallways. Information about the company is being communicated to John through its
- a. symbols
  - b. core culture
  - c. observable culture
  - d. environmental culture
  - e. displayed culture
- C 39 GT Ap

69. Observable culture is seen through which of the following elements of organizational life?
- strategy, performance, structure, and worker involvement
  - stories, symbols, heroes, rites and rituals
  - stories, relevance, pervasiveness, and strength
  - symbols and rites
  - core and corporate culture
- B 39 GT Fa
70. An organization's core culture is seen through which of the following elements of organizational life?
- strategy, performance, structure, and worker involvement
  - stories, symbols, heroes, rites and rituals
  - performance, innovation, social responsibility, quality of work life
  - symbols and rites
  - observable behavior, management strategy, mission statement
- C 39 GT Fa
71. An investment firm is reviewing the performance of a small corporate noting its track record in product innovation, the quality of work life of employees, and the organization's degree of involvement in environmental concerns. The investment firm seems to be interested in gathering information about which aspect of the company's culture?
- profits
  - core culture
  - observable culture
  - environment concerns
  - displayed corporate culture
- B 39 GT Ap

## Chapter 2

### Multiple Choice

72. The underlying beliefs that influence behavior and actually give rise to the aspects of observable culture can be described as the
- observable culture
  - human values
  - core values
  - rites of passage
  - all of these
- C 40 GT Fa

## Leadership And Organizational Culture

73. Relevance, pervasiveness, and strength are the three criteria that form the basis for the
- a. core values of an organization's culture
  - b. desired outcomes of the organization's external environment
  - c. goals for managerial excellence
  - d. qualities for the observable culture
  - e. rules of conduct in most organizations
- A 40 GT Fa
74. A symbolic manager is one who
- a. tells stories over and over
  - b. talks the language of the organization
  - c. uses symbols well to establish and maintain the desired culture
  - d. speaks and writes in ways that reinforce the desired culture
  - e. all of these
- E 40 KT Fa
75. Newly hired workers at Disney World are counseled to always think of themselves as more than employees; they are key "members of the cast." They are told, this isn't just any business, this is an "entertainment" business. Disney World uses the "symbolic manager" to reflect its
- a. language barriers
  - b. disciplinary procedures
  - c. language metaphors
  - d. company goals
  - e. hiring policy
- C 40 GT Ap

Chapter 2  
Multiple Choice

## DIRECTIONS IN ORGANIZATIONAL CULTURE

76. All of the following are true of strong cultures and their benefit to the organization EXCEPT?
- a. They have an underlying commitment to employee participation, involvement, and empowerment.
  - b. They are not really necessary for the company in

- dealing with complicated environments.
- c. They fully utilize the potential of all employees.
  - d. They are consistent with broader social values.
  - e. They value the talents, ideas, and creativity of members.
- B 41 GT Fa
77. Organizations that use pluralism and exhibit a respect for diversity in the workplace are examples of
- a. culturally diverse companies
  - b. culturally managed companies
  - c. multicultural organizations
  - d. pluralistic organizations
  - e. all of these
- C 41 45 KT
78. Organizations that display characteristics such as pluralism, structural integration, informal network integration and minimum inter-group conflict are examples of
- a. multicultural organizations
  - b. pluralistic organizations
  - c. structurally designed organizations
  - d. conflict resolution companies
  - e. technologically advanced organizations
- A 41 GT Fa
79. Which of the following is NOT a characteristics of the multicultural organization?
- a. They maintain a structurally segregated division of labor.
  - b. They are pluralistic.
  - c. There is an absence of prejudice and discrimination.
  - d. There is a minimum of intergroup conflict
  - e. There are informal networks and mentoring for workers.
- A 42 MN Fa

## Chapter 2

### Multiple Choice

80. A variety of training and task force activities that continually address the need to eliminate culture-group

biases in a multicultural organization are characteristics of

- a. pluralism
  - b. informal network group
  - c. minimum inter-group conflict
  - d. absence of prejudice and discrimination
  - e. structural integration
- D     42     MN     Fa

81. When minority-culture members are well represented in jobs at all levels and in all functional responsibilities, the characteristic that best describes this multicultural organization is called

- a. pluralism
  - b. structural integration
  - c. absence of prejudice and discrimination
  - d. minimum inter-group conflict
  - e. affirmative action
- B     42     MN     Fa

#### Organizational Subcultures

82. Apparent to most organizations are cultures of common groups of people with similar values and beliefs based upon shared personal characteristics. What correctly defines these groups?

- a. work groups
  - b. teams
  - c. subcultures
  - d. social groups
  - e. separate cultures
- C     42     KT     Fa

83. Subcultures that may NOT be found in organizations are

- a. occupational
  - b. functional
  - c. generational
  - d. ethnic
  - e. divisional
- E     43     GT     Fa



84. Denise is applying for a position with a medium-sized, but rapidly growing insurance company. She notices that there are several senior citizens and female managers of different racial backgrounds. They all seem to be very supportive of the other workers. Denise surmises that this company must be
- a. a dysfunctional place to work
  - b. a good organizational for women
  - c. a minority-owned organization
  - d. a multicultural organization
  - e. an ethically sound organization
- D     43     GT     Ap
85. The \_\_\_\_\_ of a company is a shared set of understandings about what is considered ethically correct behavior.
- a. ethical dilemma
  - b. ethical climate
  - c. core value
  - d. ethical guidelines
  - e. social responsibility guidelines
- B     43     GT     Fa

## Chapter 2 ENVIRONMENT AND COMPETITIVE ADVANTAGE

### Essay

1. Distinguish the differences between the external and internal environments of organizations.
2. List the challenges of achieving quality and competitive advantage as they relate to an organization's environmental issues.
3. What impact does customer satisfaction have on an organization's success?
4. Discuss the contributions Juran, Deming and Crosby made to total quality management.
5. Define operations management and comment on its relationship to quality and competitive advantage.
6. Comment briefly on the following strategic issue in operations management: product design.
7. Why is organizational culture important to an organization?
8. Discuss the organizational subcultures and explain how the organizations can avoid the pitfalls of negative cultural clashes.
9. What are current directions in organizational cultures?